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Lori R. Fife, Esq.

Attorneys for Debtors
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11 Case No.
	:
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> ,	: 08-13555 (JMP)
	:
Debtors.	: (Jointly Administered)
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**NOTICE OF FILING OF SUPPLEMENTAL DECLARATION OF BARRY
W. RIDINGS IN COMPLIANCE WITH THE ORDER APPROVING
APPLICATION PURSUANT TO SECTIONS 327(a) AND 328(a) OF THE
BANKRUPTCY CODE AND RULES 2014(a) AND 2016 OF THE FEDERAL
RULES OF BANKRUPTCY PROCEDURE FOR AUTHORIZATION TO
EMPLOY AND RETAIN LAZARD FRÈRES & CO. LLC AS INVESTMENT
BANKER TO THE DEBTORS, EFFECTIVE AS OF SEPTEMBER 15, 2008**

PLEASE TAKE NOTICE that on January 30, 2009, Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (together, the "Debtors" and, collectively with their non-debtor affiliates, "Lehman") filed the attached supplemental declaration of Barry W. Ridings in compliance with the Order Approving Application Pursuant to sections 327(a) and 328(a) of title 11 of the United States Code and Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure for Authorization to Employ and

Retain Lazard Frères & Co. LLC As Investment Banker to the Debtors, Effective As Of
September 15, 2008.

Dated: January 30, 2009
New York, New York

/s/ Lori R. Fife, Esq.
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Debtors.	:	(Jointly Administered)
	:	
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SUPPLEMENTAL AFFIDAVIT OF BARRY W. RIDINGS
IN CONNECTION WITH THE EMPLOYMENT AND RETENTION OF LAZARD
FRÈRES & CO. LLC AS INVESTMENT BANKERS FOR THE DEBTORS

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Barry W. Ridings, being duly sworn according to law, upon his oath, deposes and says:

1. I am a Managing Director and Vice Chairman of Investment Banking of the firm Lazard Frères & Co. LLC ("Lazard"), which has its principal office at 30 Rockefeller Plaza, New York, New York 10020. I am authorized to execute this supplemental affidavit (the "Supplemental Affidavit") on behalf of Lazard. Unless otherwise stated in this Supplemental Affidavit, I have personal knowledge of the facts set forth herein or have been informed of such matters by professionals of Lazard.

2. I submitted an initial affidavit (the "Initial Affidavit") in support of the November 13, 2008 application (the "Application") of Lehman Brothers Holdings Inc. and its affiliated debtors in the above-referenced chapter 11 cases, as debtors in possession (together, the "Debtors"), pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the "Bankruptcy Code") and rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure, for authorization to employ and retain Lazard as investment banker to the Debtors *nunc pro tunc*

to September 15, 2008) [docket no. 1513]. The Initial Affidavit was attached as Exhibit C to the Application.

3. On December 17, 2008, the United States Bankruptcy Court for the Southern District of New York entered an order approving the Application and the Debtor's employment and retention of Lazard [docket no. 2275].

4. As set forth in the Initial Affidavit, in connection with its proposed retention by the Debtors in these cases, Lazard undertook to determine whether Lazard had any conflicts or other relationships that might cause it not to be disinterested or to hold or represent an interest adverse to the Debtors. Specifically, Lazard obtained from the Debtors and/or their representatives the names of individuals and entities that may be parties-in-interest in these chapter 11 cases (the "Potential Parties-in-Interest") and such parties were listed on Schedule 1 to the Initial Affidavit. Lazard researched its electronic client files and records to determine its connections with the Debtors and Potential Parties-in-Interest. To the extent that Lazard was able to ascertain that it had been retained to represent, since 2003, any of the Potential Parties-in-Interest such parties were listed on Schedule 2 to the Initial Affidavit. Lazard's representation of each entity listed on Schedule 2 was or is only on matters that are unrelated to the Debtors or these cases.

5. I am submitting this Supplemental Affidavit to disclose (i) that two of the clients listed on Schedule 2 to the Initial Affidavit represented greater than 1% but less than 2% of Lazard's revenue for the twelve month period from December 1, 2007 until November 30, 2008 and (ii) certain additional relationships that Lazard has. The relationships disclosed in this Supplemental Affidavit are with parties that were not listed as Potential Parties-in-Interest in the list provided to Lazard.

Hawaiian Telcom

6. Pursuant to an engagement letter dated September 8, 2008, Lazard was retained to represent Hawaiian Telcom Holdco, Inc. and its controlled subsidiaries ("Hawaiian Telcom") in

connection with a variety of restructuring matters. Hawaiian Telcom is currently subject to chapter 11 proceedings in the United States Bankruptcy Court for the District of Hawaii.

7. It is my understanding that Lehman Commercial Paper, Inc. ("LCPI"), one of the Debtors, is currently the administrative and collateral agent for the Hawaiian Telcom prepetition credit facility and holds a small portion of the debt (approximately \$24 million, or 4.2% of the total amount outstanding under the facility, according to information provided to Lazard by Hawaiian Telcom as of October 1, 2008). In the Hawaiian Telcom chapter 11 cases, the Hawaiian Telcom prepetition credit facility debt holders are represented by a steering committee which has retained both legal (Weil, Gotshal & Manges LLP) and financial (Houlihan Lokey Howard & Zukin Capital, Inc.) advisors. That steering committee does not include LCPI and I understand that its current members are Loomis Sayles, CoBank, Tennenbaum Capital, BlackRock, CPMG and UBS O'Connor. As the investment banker for Hawaiian Telcom, Lazard has primarily been in contact with Houlihan Lokey concerning the Hawaiian Telcom prepetition credit facility.

8. None of the matters on which Lazard is engaged by the Debtors relate to the Debtors' or LCPI's role in connection with the Hawaiian Telcom prepetition credit facility. Lazard has not advised or represented the Debtors and will not advise the Debtors with respect to Hawaiian Telcom. Lazard does not believe it would be the type of matter covered by the scope of Lazard's engagement agreement with the Debtors.

9. Additionally, none of the Lazard professionals engaged in these cases are involved in the Hawaiian Telcom cases.

10. Lazard does not believe that Lazard's retention by Hawaiian Telcom creates a conflict of interest regarding the Debtors or these chapter 11 cases. Lazard continues to believe that that it is "disinterested" within the meaning of the term in Section 101(14) of the Bankruptcy Code.

Jazz Pharmaceuticals

11. Lazard has had an advisory relationship with Jazz Pharmaceuticals, Inc. (“Jazz Pharmaceuticals”) for several years. In 2005 Lazard advised Jazz Pharmaceuticals in connection with its acquisition of Orphan Medical, Inc. In 2008, Lazard Capital Markets LLC acted as placement agent to Jazz Pharmaceuticals in connection with a registered direct offering of common stock. Lazard continues to advise Jazz Pharmaceuticals on matters unrelated to these chapter 11 cases.

12. It is my understanding that LB I Group, Inc. (“LB I Group”), a non-Debtor, indirect subsidiary of Lehman Brothers Holdings Inc., is currently the collateral agent for the primary Jazz Pharmaceuticals note facility and holds the majority of the debt under such facility (approximately \$89,500,000, or 75% of the total amount outstanding under the facility, according to information provided to Lazard by LB I Group).

13. None of the matters on which Lazard is engaged by the Debtors relate to Jazz Pharmaceuticals. Lazard has not advised or represented the Debtors and will not advise the Debtors with respect to Jazz Pharmaceuticals. Lazard does not believe it would be the type of matter covered by the scope of Lazard’s engagement agreement with the Debtors.

14. Additionally, none of the Lazard professionals engaged in these cases are involved in Lazard’s representation of Jazz Pharmaceuticals.

15. Lazard does not believe that Lazard’s retention by Jazz Pharmaceuticals creates a conflict of interest regarding the Debtors or these chapter 11 cases. Lazard continues to believe that that it is “disinterested” within the meaning of the term in Section 101(14) of the Bankruptcy Code.

I declare under the penalty of perjury that the forgoing is true and correct, to the best of my knowledge.

LAZARD FRERES & CO. LLC

By: Barry W. Ridings
Name: Barry W. Ridings
Title: Managing Director and
Vice Chairman of Investment Banking

Sworn and subscribed to before me, a notary public for the State of New York, County of New York this 28 day of January 2009

Hanna Murnane
Notary Public

HANNA MURNANE
Notary Public, State of New York
No. 41-4729327
Qualified in Queens County
Commission Expires March 30, 2010